

BEFORE THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE

REC'D TN
REGULATORY AUTH.

CONSUMER ADVOCATE DIVISION)

vs.)

BELLSOUTH TELECOMMUNICATIONS,)
INC.)

Docket No. 99-0039

JUN 4 PM 4 08
OFFICE OF THE
EXECUTIVE SECRETARY

PETITION FOR STAY; PETITION TO REHEAR AND TENN. CODE ANN. § 4-5-313 (6)
CONTEST AND REBUTTAL

Comes the Consumer Advocate Division of the Office of the Attorney General to Petition the Tennessee Regulatory Authority for a Stay of its July 28, 1999 Order in the above referenced case. The Consumer Advocate Division further petitions the Authority to rehear pursuant to Tenn. Code Ann. §§ 4-5-317 and 65-2-114. In addition the Consumer Advocate Division respectfully contests and rebuts the facts and material explicitly and explicitly noticed by the Authority in its July 28, 1999 decision. For cause the Consumer Advocate Division would show:

1. That there was a dispute of facts and law in this case pursuant to Tenn. Code Ann. § 65-5-210 (a).
2. That the Consumer Advocate Division filed a valid complaint and that BellSouth was provided the opportunity to respond to that complaint.
3. That in addition to its response BellSouth filed a document asserting that there was no dispute of material fact, but that a majority of the Tennessee Regulatory Authority directors refused to permit the Consumer Advocate Division to respond to the motion violating CAD's due process.

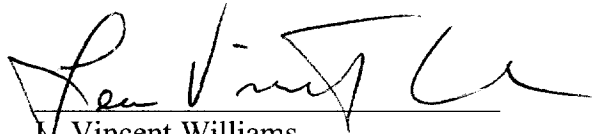
4. That the TRA majority relied upon arguments made by BellSouth in its subsequent filing upon which the TRA relied and that the majority violated CAD's due process.
5. That the failure of the majority to permit the Consumer Advocate Division to respond to the arguments of BellSouth violated the due process of Tennessee consumers and the Consumer Advocate Division.
6. That BellSouth's due process rights did not exceed the rights of Tennessee consumers when there is no threat of confiscation and that there was no threat of confiscation in this case.
7. That even if the majority of the Tennessee Regulatory Authority did not use and rely in part or entirety upon arguments made by BellSouth, the majority explicitly or implicitly noticed its order regarding DA in the United Telephone case and that the facts were different in that case, because United did not have a local basic exchange service tariff making directory assistance a local basic exchange service tariff.
8. That moreover the United Telephone case is different because Tenn. Code Ann. § 65-5-208 (a) (1) does not require a company to make new tariffs.
9. That the Tennessee Regulatory Authority majority committed material errors of law in the United Telephone directory assistance case by failing to place the statements of the legislature and the Consumer Advocate Division in proper context and that the proper context and facts are as stated in the affidavit of Archie Hickerson attached hereto and incorporated herein by reference.
10. That the sponsor of the legislation, Senator Rochelle, believed that directory charges had already been authorized.

11. That the proper context for statements of the "opponents" that the Authority relies upon is that they were attempting to moot, reverse or invalidate the decisions or prospective decisions of the Tennessee Public Service Commission and to moot, reverse or invalidate the agreement between the Consumer Advocate Division and BellSouth.
12. That as a result the Senators were seeking to legislatively remove the effect of any alternatives which could have gone into effect prior to the effective date of chapter 408.
13. That the July 28, 1999 Order of the Tennessee Regulatory Authority violates or does not comply with Tenn. Code Ann. § 4-5-314 (c) because it does not state the underlying facts of record to support the findings.
14. That the order does not address the financial offset or even discuss the support for BellSouth's offsetting reductions.
15. That Tenn. Code Ann. § 65-4-122 provides that Tennessee consumers do have a property interest in rates which is actionable.
16. That the resolution of Senator Cohen, which was deferred in the State and Local government committee on February 14, 1995 shows his belief that a directory assistance charge had already been approved and provide context for the testimony of the Consumer Advocate.
17. That the TRA fails and refuses to consider the statements of the sponsor of the legislation and the effects of his statements regarding legislative intent and that said statements are accurately quoted by Archie Hickerson and further that said statements are contrary to the rationale presented by the agency in the United Telephone case and in its July 28, 1999 order.

18. That the TRA should have permitted the Consumer Advocate Division to rebut and contest the matters and documents it notice prior to its decision.

Wherefore the Consumer Advocate Division prays that the Tennessee Regulatory Authority rehear, stay and consider the Consumer Advocate Division's contest and rebuttal regarding the matters and documents officially noticed and the interpretations and grounds for the matters and documents officially noticed and that the agency grant other relief as is just.

Respectfully Submitted,

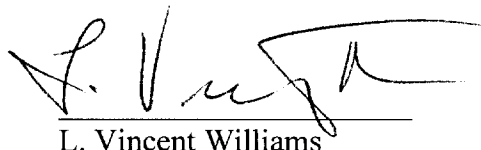


L. Vincent Williams
Deputy Attorney General-Consumer Advocate
Consumer Advocate Division
425 Fifth Ave., North, Second Fl.
Nashville, TN 37243
615-741-8723
B.P.R. No. 011189

Certificate of Service

I hereby certify that a true and correct copy of the foregoing Document has been mailed postage prepaid to the parties listed below this 4th day of August, 1999.

Guy Hicks, Esq.
BellSouth Communications, Inc.
333 Commerce St., Suite 2101
Nashville, TN 37201-3300



L. Vincent Williams

BEFORE THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE

| | | |
|-------------------------------|---|---------------------|
| CONSUMER ADVOCATE DIVISION |) | |
| |) | |
| |) | Docket No. 99-00391 |
| vs. |) | |
| |) | |
| BELLSOUTH TELECOMMUNICATIONS, |) | |
| INC. |) | |

AFFIDAVIT

Comes the affiant, Archie Hickerson, Director -Consumer Advocate Division Staff ,
Office of the Attorney General and Reporter, and former Deputy Director of the Utility Rate
Division, of the Tennessee Public Service Commission, after being duly sworn and deposes and
says:

1. That I have been supervisor or manager responsible of regulatory specialists with the
Office of the Attorney General since July 1, 1994 and that this affidavit accurately states
the circumstance surrounding directory assistance.
2. That immediately before the above-referenced employment with the Office of the
Attorney General, I served with the Tennessee Public Service Commission for 18 years
and that my last position at the Tennessee Public Service Commission was Deputy
Director of the Utility Rate Division.
3. I have knowledge of those services included in South Central Bell's and BellSouth's local

basic exchange service before and on June 6, 1995.

4. That I have been a Certified Public Accountant since 1977.
5. That for all the years of my experience as an employee of the Tennessee Public Service Commission through June 30, 1994, local basic exchange service included directory assistance usage at no additional charge.
6. That from June 30, 1994 through June 6, 1995 no tariff for BellSouth was implemented which removed directory assistance as a basic local exchange service usage on June 6, 1995.
7. That from June 6, 1995 through July 27, 1999, no tariff or order removed directory assistance from basic service provided by BellSouth in Tennessee.
8. That in October 1994, South Central Bell Telephone Company (now, BellSouth Telecommunications, Inc., hereinafter referred to as BellSouth), in Tennessee Public Service Commission docket no. 94-02876, proposed to remove directory assistance as an included local basic exchange service usage. A copy of BellSouth's proposal is attached as exhibit 1 to this affidavit.
9. That the Consumer Advocate Division filed a Petition to Intervene in docket no. 94-02876, that the intervention was granted, and that the Consumer Advocate Division opposed the BellSouth proposal to remove directory assistance as a local basic exchange usage.
10. That the Consumer Advocate Division's opposition to the BellSouth proposal was based in part upon the financial windfall to BellSouth from removing directory assistance as an

included usage of basic service.

11. That the financial windfall to BellSouth necessarily occurred because the cost of local basic exchange service included the cost and economic value of furnishing directory assistance as an included usage of local basic exchange service and the BellSouth proposal did not offset all of the costs savings and financial value by reducing other basic local exchange service rates.
12. That despite the opposition of the Consumer Advocate Division, the Tennessee Public Service Commission by a 2-1 vote (Commissioner Steve Hewlett dissenting), conditionally approved BellSouth's proposal to remove directory assistance as a usage included in local basic exchange service rates by order entered on January 5, 1995.
13. That the approval of a directory assistance tariff for BellSouth on January 5, 1995 in contested case 94-02876, was conditioned upon BellSouth filing a tariff meeting the terms of the Order by February 1, 1995 and that BellSouth never made such a filing and that BellSouth waived its right to a directory assistance charge by failing to comply with the order before June 6, 1995.
14. That conditional approval of the directory assistance charge in 1995 by the Tennessee Public Service Commission without decreasing other local basic exchange service rates caused great public concern.
15. That there is an economic value and associated cost of providing directory assistance as local basic exchange service and that neither BellSouth's initial directory assistance filing in docket no. 94-02876 or docket no. 99-00391 nor the decision of the agency fully offset

the aggregate revenues to BellSouth which arise as a result of instituting the directory assistance charge.

16. That the Consumer Advocate Division filed a Petition for Rehearing in accordance with Tenn. Code Ann. § 65-2-114.
17. That on January 1, 1995, the Honorable Sara Kyle began her term as a Commissioner of the Tennessee Public Service Commission, and that Commissioner Hewlett moved to reverse or reconsider the Tennessee Public Service Commission's earlier decision approving a directory assistance service charge, which removed the service as a usage included in the price of basic service.
18. That Commissioner Kyle also voted to reverse or reconsider the agency's earlier approval and that the motion to reverse and reconsider prevailed by a 2-1 vote.
19. That after the decision to reverse or reconsider, both BellSouth and the Consumer Advocate Division recognized that each party still had risks. There was a risk to BellSouth that it would not remove the usage of directory assistance as an included part of basic local exchange service. There was a risk to the Consumer Advocate Division that the agency, upon reconsideration, would still provide a financial windfall to BellSouth and that Tennessee consumers would not receive offsetting compensation reducing other local basic exchange service rates.
20. That BellSouth and the Consumer Advocate Division thereafter entered into negotiations which produced the February 3, 1995 agreement attached as exhibit 2 to this affidavit and further that these negotiations were fact based.

21. That page ___, of exhibit 2, accurately depicts the initial financial value of local basic exchange service directory assistance to BellSouth and to Tennessee consumers and rate reduction necessary to offset the financial value of directory assistance usage.
22. That the cover letter to exhibit 2 shows that the agreement was submitted to the Tennessee Public Service Commission for approval.
23. That subsequently an error in the value calculations was discovered and that the Consumer Advocate Division filed to update exhibit 2 to a \$21 million dollar offset and that BellSouth agreed to and did not object to that financial value and offset in 1995.
24. That the financial value of directory assistance as a local basic exchange service usage should have increased since 1995.
25. That the agreement between BellSouth/South Central Bell and the Consumer Advocate Division to remove directory assistance usage from local basic exchange service and to offset it with reductions in other services was well publicized.
26. That after the agreement was publicized State Senator Stephen Cohen requested a meeting with the Consumer Advocate.
27. That the Consumer Advocate, L. Vincent Williams, and I met with Senator Cohen.
28. That Senator Cohen advised the Consumer Advocate that he was opposed to removing directory assistance as an included usage of local basic exchange service, by either the Tennessee Public Service Commission or by agreement between BellSouth and the Consumer Advocate Division and that he would work against the decisions through legislation.

29. That the Consumer Advocate explained why an agreement was reached with BellSouth and its financial implications. The Consumer Advocate further stated that the Consumer Advocate Division and the Office of the Attorney General would honor the agreement.
30. That Senator Cohen then requested the Consumer Advocate to attend the next Senate Committee meeting.
31. That Senator Cohen introduced A Resolution urging the Public Service Commission to reconsider their approval allowing additional charges for directory assistance calls in the Senate State and Local Government Committee, and that the context of Senator Cohen's remarks and the context of the Consumer Advocate's testimony should be considered from the prospective of prior approval of directory assistance. (A copy of the resolution is attached as Exhibit 3.)
32. That the Consumer Advocate and I met with Senator Gilbert at the senator's request and that directory assistance was discussed along the same lines as the discussion with Senator Cohen.
33. That the Consumer Advocate and I attended the subsequent committee hearing.
34. That Senator Cohen asked the Consumer Advocate Division questions at the hearing about directory assistance and whether the legislation under consideration would protect directory assistance as a basic service.
35. That the context prior to the Consumer Advocate's testimony to the Senate committee, therefore was that a) the Tennessee Public Service Commission had previously approved a BellSouth proposal removing directory assistance as an included usage of local basic

exchange telephone service, b) that a motion to reconsider was granted by the agency, c) that the Consumer Advocate Division and BellSouth had entered into a well publicized agreement to institute a charge for directory assistance thereby removing directory assistance as a usage included in local basic exchange service, d) that the agreement had been submitted to the Tennessee Public Service Commission, e) that the proposed implementation date of the agreement between BellSouth and the Consumer Advocate Division was March 15, 1995.

36. That the state of the proposed and subsequently enacted legislation with respect to classifying local basic exchange service usage at the time of Senator Cohen's statement and the Consumer Advocate's testimony was essentially the same as it is now with the exception that "the effective date" appeared where June 6, 1995 now appears.

37. That the TRA failed to place the statements of the bills sponsor, Senator Rochelle, in context. Senator Rochelle stated:

I believe they already are authorized to institute charges for directory assistance, and they don't, they don't do any now, and so, that's my understanding, they are, but it doesn't really change that.

38. That during senatorial debate Senator Rochelle, the sponsor of the bill, recognized the directory assistance agreement between the Consumer Advocate and BellSouth. Senator Rochelle stated:

First, let me tell you on the directory assistance, I am told that the companies have an agreement with the consumer advocate that would be effective on that

39. That the proper context for Senator Cohen's statements and the testimony of the

Consumer Advocate is that Senator Cohen was attempting to moot, reverse or invalidate the decision of the Tennessee Public Service Commission approving directory assistance and that Senator Cohen was attempting to moot, reverse or invalidate the agreement between the Consumer Advocate Division and South Central Bell if the agreement was approved by the Tennessee Public Service Commission.

40. That during senatorial debates both Senator Kyle and Senator Gilbert made statements addressing directory assistance.
41. That the proper context for Senator Gilbert's statements is that they were made after Senator Cohen's arguments and the Consumer Advocate's testimony and that Senator Gilbert was attempting to prevent the Tennessee Public Service Commission from approving or continuing a directory assistance charge after the legislation was enacted and the Consumer Advocate argues that Senator Gilbert was attempting to moot, reverse or invalidate the agreement between the Consumer Advocate Division and South Central Bell if the agreement was approved by the Tennessee Public Service Commission before enactment of the legislation.
42. The Consumer Advocate Division respectfully submits that Senator Kyle's statements were made after Senator Cohen's arguments and the testimony of the Consumer Advocate and the Consumer Advocate argues that Senator Kyle's statements should similarly be regarded as attempting to moot, reverse or invalidate the decision of the Tennessee Public Service Commission approving directory assistance and that Senator Kyle was attempting to moot, reverse or invalidate the agreement between the Consumer

Advocate Division and South Central Bell if the agreement was approved by the Tennessee Public Service Commission.

43. That Senator Cohen, Senator Gilbert and Senator Kyle as a members of the legislature, were presumed to have knowledge of legislation regarding the Tennessee Public Service Commission including but not limited to, the agreed settlement provisions of Tenn. Code Ann. § 65-2-108; Tenn. Code Ann. § 4-5-105; and Tenn. Code Ann. § 65-5-203 (b) (1) which literally provided that BellSouth could place directory assistance into effect without Tennessee Public Service Commission approval, and the prior approval of directory assistance by the Tennessee Public Service Commission.
44. That the Tennessee Regulatory Authority has failed to place the statements of the Senators and the Consumer Advocate in proper context.
45. That the Tennessee Regulatory Authority has refused to provided a principled justification for directory assistance being a non-basic service when it failed to consider or discuss the classification of directory assistance prior to June 6, 1995 and what statutory provision changed that status.
46. That the TRA has failed to define what usage means and therefore it has not provided a principled decision regarding directory assistance in this case.
47. That the TRA failed to consider in any meaningful manner the local basic exchange service tariffs of BellSouth which were in existence on and before June 5, 1995 through July 27, 1999.
48. That the Tennessee Regulatory Authority, in approving both United Telephone Company

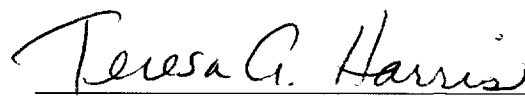
Southeast, Inc.'s directory assistance charge and BellSouth's directory assistance charges did not place the legislative history in proper context.

49. That even if the Tennessee Public Service Commission had approved a charge for directory assistance prior to June 6, 1995, directory assistance service would have still retained its character as local basic exchange service.
50. That the financial offset of BellSouth's 1999 directory assistance filing is less than half of the offset BellSouth and the Consumer Advocate Division factually found in 1995.
51. That the economic value and associated cost of providing directory assistance as local basic exchange service and failure to reduce the local basic exchange service costs actually increase cost of local basic exchange service in ?????? of Tenn. Code Ann. § 65-5-208(a)(1).
52. That many Tennessee consumers will be irreparable harmed by a directory assistance charge, including but not limited to those who will no longer be with BellSouth if the TRA order is reversed, and that the cost to the disabled constitutes irreparable harm.

Further affiant saith not.


Archie Hickerson

Subscribed and sworn before me this the 4th day of August 1999.


Teresa G. Harris
Notary Public

My Commission Expires:

January 25, 2003

EFFECTIVE: June 23, 1994

A3. BASIC LOCAL EXCHANGE SERVICE

A3.12 Network Access Register Usage Package (Cont'd)

A3.12.3 Reserved For Future Use

A3.13 Local Directory Assistance Service

This service is a Flex-Price service and is regulated under terms and conditions as described in A2.3.26 of this Tariff.

A3.13.1 General

- A. In addition to providing telephone directories to all Local Exchange Service subscribers, the Company furnishes Local Directory Assistance Service whereby customers may obtain assistance in determining telephone numbers, directory addresses and ZIP Codes.
- B. The charging application and rates set forth in A3.13.2. and 3. following apply to Sent-Paid Mobile Service Provider (MSP) requests for Local Directory Assistance Service in determining, or attempting to determine, the telephone number and/or address of any party located in, or thought to be located in, the local calling area.
- C. Local Directory Assistance Service Allows A Subscriber To Provide
 1. a name to get telephone number, ZIP Code and/or directory address
- D. Local Directory Assistance Service does not provide the telephone number, address or ZIP Code on a private (nonpublished) listing but does furnish these items from informational records on a semiprivate listing.

A3.13.2 Application Of Charges

- A. The charges specified in A3.13.3. following will be applicable to all Mobile Service Providers (MSPs).
- B. Chargeable Calls

For charging purposes a call to Local Directory Assistance is defined as a call

1. resulting in obtaining telephone number, address and/or ZIP Code for a maximum of two subscribers; or
2. resulting in obtaining no telephone number, address and ZIP Code; because there was no such listing, or there was a private listing.

A3.13.3 Rates And Charges

A. Service Charges

1. Each call

(a) Directory assistance service charge

| Charge Per Call | USOC |
|--------------------|------|
| \$.30 | NA |

A3.14 Operator Assisted Local Calls And Local Calling Card Service Calls

This service is a Flex-Price service and is regulated under terms and conditions as described in A2.3.26 of this Tariff.

A3.14.1 General

- A. When the caller requests operator assistance and the call is completed within the local calling area, a service charge will be applied except as specified in A3.14.2.A.

1994 Tariff - Exp 1

BELLSOUTH
TELECOMMUNICATIONS, INC.
TENNESSEE
ISSUED: April 23, 1998
BY: President - Tennessee
Nashville, Tennessee

GENERAL SUBSCRIBER SERVICES TARIFF

Fifth Revised Page 54.1
Cancels Fourth Revised Page 54.1
EFFECTIVE: August 18, 1998

A3. BASIC LOCAL EXCHANGE SERVICE

A3.13 Directory Assistance Service

This service is a Flex-Price service and is regulated under terms and conditions as described in A2.3.26 of this Tariff.

A3.13.1 General

- A. *The Company furnishes Directory Assistance service for the purpose of aiding customers in obtaining telephone numbers.* (C)
- B. (DELETED) (D)
- C. *When the Company receives a 1-411 dialed call and the caller provides a state, city and name, the Company will either:* (C)
 - 1. provide the listed and available telephone number(s) requested, or (N)
 - 2. apprise the caller that the number(s) cannot be provided because the listing(s) is private (non-published), or not available in BellSouth's database. (N)
- D. Directory Assistance does not provide telephone numbers *associated with* private (non-published) listings but does furnish *numbers for* semi-private (*non-listed*) listings. (T)

A3.13.2 (DELETED)

A3.13.3 Rates And Charges

- A. Directory Assistance service - request of a listing (maximum of two requests per call) (N)
 - 1. Within the state of Tennessee (N)

| | | |
|--------------|--------|------|
| (a) Per call | Rate | USOC |
| | \$.00 | NA |
 - 2. Outside the state of Tennessee (N)

| | | |
|--------------|-----|----|
| (a) Per call | .85 | NA |
|--------------|-----|----|
- B. *Directory Assistance for Mobile Service Providers (MSPs)* (T)
 - 1. *All calls to Directory Assistance* (T)

| | | |
|--------------|-----|----|
| (a) Per call | .30 | NA |
|--------------|-----|----|

Cover letter to

Exhibit 2

Exhibit B

REC'D TEL. UNIT
SERVICE CENTER
1995 FEB 3 PM 1:43
OFFICE OF THE
ATTORNEY GENERAL

STATE OF TENNESSEE
OFFICE OF THE
ATTORNEY GENERAL
404 JAMES ROBERTSON PARKWAY
PARKWAY TOWERS - SUITE 1504
NASHVILLE, TENNESSEE 37243-0500

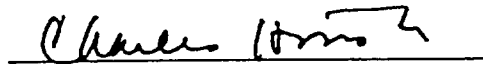
February 3, 1995

Ms. Jeanne Moran
General Utility Counsel
Tennessee Public Service Commission
460 James Robertson Parkway
Nashville, Tennessee

Dear Ms. Moran:

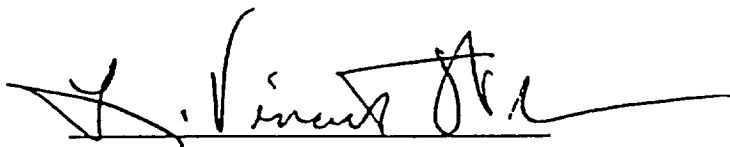
Attached is a settlement agreement between the Consumer Advocate Division and the BellSouth Telecommunications, Inc. d/b/a South Bell Telephone Company regarding the tariff to implement Directory Assistance Charges (Docket No. 94-02876). We respectfully request that this matter be placed on the next Commission Conference agenda scheduled for Tuesday, February 7.

Sincerely,



Charles L. Howorth
General Counsel -
South Central Bell

Agreed,



L. Vincent Williams
Consumer Advocate Division

SETTLEMENT AGREEMENT
BETWEEN
THE CONSUMER ADVOCATE DIVISION
AND
BELLSOUTH TELECOMMUNICATIONS, INC.
FEBRUARY 3, 1995

DOCKET NO. 94-02876

BellSouth Telecommunications, Inc. d/b/a South Central Bell Telephone Company (hereinafter referred to as "the Company") and the Consumer Advocate Division hereby agree:

That a fair and equitable agreement regarding the issues surrounding the Company's petition for a directory assistance charge is in the interest of the parties and the public; that the terms set out below represent such a fair and equitable agreement; and that such an agreement should be presented and recommended to the Public Service Commission. Therefore, in consideration of the promises made herein, which are mutually dependent, the parties hereby agree to the following:

1. The parties recognize that the Tennessee Public Service Commission has the authority to approve or disapprove tariffs, rates, and related issues.
2. The Company will provide a free Directory Assistance ("DA") call allowance for each access line service of eight (8) calls for residence customers and five (5) calls for business customers per billing cycle. This allowance will be applied to Local or Intra-NPA Toll DA calls (e.g., a residence customer will get up to 8 free calls in total regardless of whether they are to Local DA or Intra-NPA DA).
3. The per call rate for DA will be \$0.25 for Residence and Business, Local and Intra-NPA Toll.
4. South Central Bell will not file a petition or tariff seeking a DA rate increase or change in allowances for a period of two years from the effective date of this tariff. Nothing in this agreement, however, commits the Consumer Advocate Division to support price or allowance changes at that time.

5. The DA charge will be applicable to all calls with the following exceptions: 1) calls made by residence customers who are unable to use a telephone directory because of a visual or physical disability which can be confirmed by a physician, appropriate group or agency, 2) the first 50 calls, per billing period, made by business customers, who are unable to use a telephone directory because of a visual or physical disability which can be confirmed by a physician, appropriate group or agency, 3) calls made from hospitals and nursing homes, 4) calls made from Public and Semipublic telephone service locations and Customer Provided Public telephones, and 5) calls made by residence customers from their line who are 70 years of age or older and who have applied to the Company for the *DA calling exemption and provided confirmation of their age.
6. All residence local calling card calls dialed 0+ by a person certified as disabled will be exempt from local operator surcharges. This will include calls dialed 0+411. This will allow a person certified as disabled to access DA free of charge away from his or her home.
7. The Company will make up to three (3) copies of all local calling area directories, both white and yellow page directories, available to each customer upon request, free of charge. (non-tariff item)
8. The Company will continue to provide directories outside of the local calling area in the same manner as before the tariff (non-tariff item).
9. The tariff to provide the Customer Name and Address (CNA) will not be included in the present filing. Instead, the Company will conduct a statistical sample of customers to determine the public sentiment regarding CNA service. South Central Bell will not file a petition for tariffs seeking to offer CNA for a period of two years from the effective date of the tariff, unless it is determined that the majority of customers want this service. The Company will work together with the Consumer Advocate as the sample is taken. Nothing in this agreement binds the Consumer Advocate to support a CNA filing by the Company.

10. The revenue and cost savings generated by implementing a DA charge will be offset as follows (NOTE: numbers are approximate. The Company will work to make the net effect of the entire tariff as close to \$0 as possible.):

| | |
|---------------------------------|-----------|
| Toll reduction on mileage bands | (\$5.7M) |
| Elimination of zone charges | (\$7.1M) |
| Reduction of grouping charges | (\$6.8M) |
| | (\$19.6M) |

Minor deviations within the categories may occur, however, it is the intent of the parties that the net effect of the tariff(s) will be zero. Contemporaneously with filing the revised tariff for directory assistance, the Company will file tariffs to accomplish these reductions or charges.

11. The Company will take the following measures to educate the consumers of Tennessee about this tariff (non-tariff item):
- a). A recorded message will be placed on local DA calls i.e., 411) for three (3) months from the effective date of this tariff. The message will inform customers that there may be a charge, the numbers to call to obtain directories, and that the customer may hang up immediately and not be charged. At the end of the three month period, the recording will be removed.
 - b). A bill insert will be provided prior to the effective date of the tariff informing customers of the DA charge, the number to call to obtain an exemption form, and the numbers to call to obtain directories,
 - c). A general press release will be issued.
 - d). The Company will work with the Coalition for Persons with Disabilities to inform this special needs community about the charge and the exemption procedure.
12. The proposed effective date of this tariff will be March 15, 1995, if the related tariffs outlined in paragraph 10 are also

effective.

13. The Consumer Advocate and the Company agree to issue separate press releases on the settlement but they will be issued simultaneously. Both parties agree to share input to each respective press release prior to issuance of the releases.
14. The Consumer Advocate and the Company agree to approach the Tennessee Public Service Commission jointly to communicate the agreement.
15. Upon execution of this agreement in principle, and review of the actual tariff(s), the Consumer Advocate agrees to support the tariff(s) which conform(s) to this agreement as stipulations of fact. This the 3rd day of February, 1995.

South Central Bell

Consumer Advocate Division

By: Judith H. Johnson

By: L. Vincent Sullivan

TENNESSEE GENERAL ASSEMBLY

SENATOR STEVE COHEN
SUITE 8, LEGISLATIVE PLAZA
NASHVILLE, TN., 37243-0030
(615) 741-4108
(615) 741-9349fax

I AM SENDING _____ PAGES TO YOU, INCLUDING THIS COVER SHEET

IF YOU NEED A RESEND OF PAGES, PLEASE CALL ABOVE NUMBER.

DELIVER TO: Mr Williams

FROM:

Sen Cohen

notes:

This was deferred in
Senate State & Local
Committee. 2-14-95

There is several pieces of
correspondence on this if you
need them let us know

SJR #17

A RESOLUTION urging the Public Service Commission to reconsider their approval allowing additional charges for directory assistance calls.

WHEREAS, the duties of the Public Service Commission are to supervise in the public interest, all aspects of railroads, motor carriers, and privately owned utility companies that perform services within the boundaries of Tennessee; and

WHEREAS, as elected representatives of the people of Tennessee, the Public Service Commissioners must assess the availability of services of one particular utility necessary to all Tennesseans and businesses: telecommunications; and

WHEREAS, the Public Service Commission, as created by Chapter 69 of the Public Acts of 1955, has the broad authority to determine rates and supervise operations of telecommunications providers; and

WHEREAS, it is this Commission, therefore, which ensures that all Tennesseans will have equal access to essential telecommunications services in the future; and

WHEREAS, a recent decision was made allowing telecommunications providers to charge Tennesseans for directory assistance calls; and

WHEREAS, Tennesseans have never been charged for directory assistance and do not favor such charges; and

WHEREAS, the state's consumer advocate has examined the Commission's initial order and has determined that approximately \$16 million dollars will not flow back to consumers as it should; now, therefore,



58549311



00106457

BE IT RESOLVED BY THE SENATE OF THE NINETY-NINTH GENERAL ASSEMBLY OF THE STATE OF TENNESSEE, THE HOUSE OF REPRESENTATIVES CONCURRING, That this General Assembly hereby urges and encourages the Public Service Commission to study and rescind their decision to allow telecommunications carriers to charge Tennessee residents and businesses for directory assistance calls.

BE IT FURTHER RESOLVED, That the Chief Clerk of the Senate is directed to transmit a copy of this resolution to the Executive Director and to each member of the Public Service Commission.